

Moran Continues to Battle Estate Tax

WASHINGTON, D.C. - Congressman Jerry Moran sponsored legislation to create a solution to problems with current estate tax laws. The legislation, H.R. 3905, will increase the portion of an estate that is exempt from the tax and reduce the maximum tax rate. Under legislation passed in 2001, the estate tax was set to phase-out in 2010, but the same legislation reinstates the estate tax in 2011 at pre-2001 tax levels, creating the need for a fix.

"The estate tax is a burden on the economy and it punishes Kansans who are trying to build and continue a family business," said Moran. "I have long sought a permanent repeal of the estate tax, a tax that comprises less than one percent of U.S. revenues, but poses a substantial impediment to the growth of family farms and small businesses. While this legislation will not completely eliminate the estate tax, I believe it is the next best alternative given today's political and economic climate. Kansas families need to have this issued resolved now so they can make long-term plans with more certainty."

"KLA appreciates Rep. Moran's leadership on estate taxes," said Kansas Livestock Association President Elect Mark Smith, a rancher and farmer from Sharon Springs. "Though we prefer, like Rep. Moran, a full repeal of this onerous tax, H.R. 3905 would provide much needed certainty on the issue and significant relief for family farms and ranches."

The legislation will exempt from the estate tax, estates worth \$3.5 million in 2009; increase the exemption to \$5 million by the year 2019; and index the exemption to inflation to allow it to automatically increase in the years following 2019. Enacting exemptions at these levels should prevent a majority of Kansas' small businesses from being affected by the tax. H.R. 3905 will also reduce the maximum tax rate, for estates in excess of the exemption, to 35 percent by the year 2019.

If congressional action is not taken to repeal the estate tax, it will be fully reinstated in 2011.

###